

**BAHAWALPUR WASTE
MANAGEMENT COMPANY**

FOR THE YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BAHAWALPUR WASTE MANAGEMENT COMPANY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **BAHAWALPUR WASTE MANAGEMENT COMPANY** (the Company), which comprise the statement of financial position as at June 30, 2019, and the income and expenditure statement, the statement of comprehensive income, the statement of changes in general fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the income and expenditure statement, the statement of comprehensive income, the statement of changes in general fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the surplus, the other comprehensive income, the changes in general funds and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

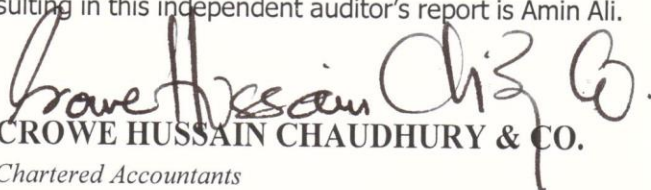
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure statement, the statement of comprehensive income, the statement of changes in general fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

Lahore

Dated: 12 APR 2022


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

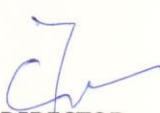
BAHAWALPUR WASTE MANAGEMENT COMPANY

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
ASSETS			
Non Current Assets			
Property and equipment	6	123,064,070	145,380,210
Intangible assets	7	596,417	830,722
Long term deposits		115,190	115,190
		123,775,677	146,326,122
Current Assets			
Stores and spares		2,895,016	2,100,580
Advances and other receivable	8	6,147,514	1,822,952
Cash and bank balances	9	126,303,498	176,383,897
		135,346,028	180,307,429
		<u>259,121,705</u>	<u>326,633,551</u>
FUND AND LIABILITIES			
Fund			
General fund		6,200,028	2,025,431
Non Current Liabilities			
Grants available for utilization	10	2,089,619	188,359,551
Long term financing	11	230,580,497	121,213,399
		232,670,116	309,572,950
Current Liabilities			
Trade and other payables	12	20,251,561	15,035,170
Contingencies and Commitments	13	-	-
		<u>259,121,705</u>	<u>326,633,551</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

BAHAWALPUR WASTE MANAGEMENT COMPANY
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

		2019	2018
	Note	Rupees	Rupees
Income from grants	14	391,098,615	361,132,784
Direct expenses	15	<u>(327,777,458)</u>	<u>(322,564,142)</u>
Gross Revenue		63,321,157	38,568,642
Administrative expenses	16	<u>(53,216,809)</u>	<u>(35,726,086)</u>
Operating Surplus		10,104,348	2,842,556
Finance cost	17	(10,104,348)	(2,842,556)
Other income	18	<u>4,174,597</u>	<u>786,531</u>
Surplus before Taxation		4,174,597	786,531
Taxation		-	-
Net Surplus for the Year		<u><u>4,174,597</u></u>	<u><u>786,531</u></u>

The annexed notes from 1 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

BAHAWALPUR WASTE MANAGEMENT COMPANY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	Rupees	Rupees
Net Surplus for the Year	4,174,597	786,531
Other comprehensive income for the year:		
<i>Items that will not be reclassified to income and expenditure</i>	-	-
<i>Items that may be reclassified subsequently to income and expenditure</i>	-	-
Total Comprehensive Income for the Year	<u>4,174,597</u>	<u>786,531</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

BAHAWALPUR WASTE MANAGEMENT COMPANY

STATEMENT OF CHANGES IN GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2019

	General Fund
	Rupees
Balance as at June 30, 2017	1,238,900
Net profit for the year	786,531
Other comprehensive income for the year	-
	786,531
Balance as at June 30, 2018	2,025,431
Net profit for the year	4,174,597
Other comprehensive income for the year	-
	4,174,597
Balance as at June 30, 2019	6,200,028

The annexed notes from 1 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

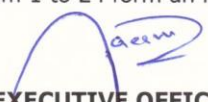

DIRECTOR

BAHAWALPUR WASTE MANAGEMENT COMPANY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	4,174,597	786,531
Adjustments for:		
- Depreciation	22,316,140	26,408,096
- Amortization	234,305	216,889
- Amortization of grants received from the government	(391,098,615)	(361,132,784)
- Unwinding of long term loan	10,097,272	2,831,817
- Bank charges	7,076	10,739
- Excess liabilities written back	383	(40,741)
	(358,443,439)	(331,705,984)
Operating loss before working capital changes	(354,268,842)	(330,919,453)
Decrease / (increase) in current assets:		
- Stores and spares	(794,436)	534,869
- Advances and other receivable	(4,324,562)	495,263
- Accrued markup	-	1,883
Increase / (decrease) in current liabilities:		
- Trade and other payables	5,216,008	(1,650,095)
	97,010	(618,080)
Cash Used in Operations	(354,171,832)	(331,537,533)
Bank charges paid	(7,076)	(10,739)
Net Cash Used in Operating Activities	(354,178,908)	(331,548,272)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(1,239,801)
Purchase of intangible asset	-	(95,000)
Net Cash Used in Financing Activities	-	(1,334,801)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing received	149,860,000	150,000,000
Grants received	154,238,509	144,000,000
Net Cash Generated from Financing Activities	304,098,509	294,000,000
Net Decrease in Cash and Cash Equivalents	(50,080,399)	(38,883,073)
Cash and cash equivalents at the beginning of the year	176,383,897	215,266,970
Cash and Cash Equivalents at the End of the Year	126,303,498	176,383,897

The annexed notes from 1 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

